

## COMPACT GOAL

The five-year \$362.6 million Lesotho Compact is designed to provide strategic investments to achieve the following: 1) Increase the availability of water for households and industrial use; 2) Test watershed management and conservation methods; 3) Rehabilitate health infrastructure and strengthen health systems; and 4) Remove barriers to foreign and local private sector investment.



## COMPACT AT A GLANCE

Compact Signed	07-23-2007
Entry Into Force	09-17-2008
Compact End Date	09-17-2013
Compact Total	\$362,551,000
Amount Committed	\$247,325,075
Amount Expended	\$125,913,317
Estimated Program Beneficiaries	1,041,422
Estimated Increase in Household Income	\$376,000,000

% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
45%	<b>Water Project</b>
34%	<b>Health Project</b>
10%	<b>Private Sector Development Project</b>
9%	<b>Program Administration</b>
2%	<b>Monitoring and Evaluation</b>
	<b>\$7.8</b>

■ Project Preparation ■ Project Implementation

Water Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>																																														
	\$164,027,999	\$102,693,229	\$38,613,758																																														
<p>This project seeks to improve the water supply for industrial and domestic users by providing essential infrastructure, water system upgrades, and watershed management. The project is also designed to enhance rural livelihoods through improved water availability.</p> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>236,874</td><td>\$173,000,000</td></tr></table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	236,874	\$173,000,000	<table><tr><th></th><th>YEAR 1</th><th>YEAR 2</th><th>YEAR 3</th><th>YEAR 4</th><th>YEAR 5</th></tr><tr><td>Metolong Dam Bulk Water Conveyance System</td><td colspan="5"></td></tr><tr><td>Metolong Dam Program Mgmt. Unit</td><td colspan="5"></td></tr><tr><td>Urban &amp; Peri-Urban Water Infrastructure</td><td colspan="5"></td></tr><tr><td>WASA Proj. Implementation Unit</td><td colspan="5"></td></tr><tr><td>Rural Water Supply &amp; Sanitation Infrastructure</td><td colspan="5"></td></tr><tr><td>Wetlands Restoration &amp; Conservation</td><td colspan="5"></td></tr></table> <p style="text-align: center;">PRESENT</p>				YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Metolong Dam Bulk Water Conveyance System						Metolong Dam Program Mgmt. Unit						Urban & Peri-Urban Water Infrastructure						WASA Proj. Implementation Unit						Rural Water Supply & Sanitation Infrastructure						Wetlands Restoration & Conservation					
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME																																																
236,874	\$173,000,000																																																
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5																																												
Metolong Dam Bulk Water Conveyance System																																																	
Metolong Dam Program Mgmt. Unit																																																	
Urban & Peri-Urban Water Infrastructure																																																	
WASA Proj. Implementation Unit																																																	
Rural Water Supply & Sanitation Infrastructure																																																	
Wetlands Restoration & Conservation																																																	
	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>Reduced school days lost due to waterborne diseases from 24 days to 12 days; Increased rural household access to improved latrines and improved water supply; Delivery of reliable water services to urban and peri-urban households.</p>	<p><b>PROGRESS TO DATE</b></p> <p>1,490 latrines built as part of the Rural Water Supply Activity. 30 percent of contracts disbursed for construction of water and sanitation works. 18% of funding for first phase of urban water works activity disbursed.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>A consortium of donors signed the Metolong Dam construction contract in August 2011. Construction has started on the MCC-funded treatment works downstream from the dam. Evaluation of bids for the next phase of the Rural Water Supply Activity occurred in September 2011.</p>																																														

Health Project	PROJECT COST		TOTAL CONTRACT COMMITMENTS		TOTAL PROJECT EXPENDITURES <sup>†</sup>									
	\$122,398,000		\$98,272,756		\$52,728,860									
<p>This project is designed to mitigate the negative economic impacts of poor maternal health, HIV/AIDS, tuberculosis (TB), and other diseases by substantially strengthening Lesotho's health care infrastructure and human resources for health capacity.</p> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>752,003</td><td>\$142,000,000</td></tr></table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	752,003	\$142,000,000	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME												
	752,003	\$142,000,000												
	Health Care Center Infrastructure													
	ART Clinic Infrastructure													
	Central Lab Infrastructure													
	Blood Transfusion Center													
	Nat'l Health Training College Dormitory Infrastructure													
Health Systems Intervention														
Medical Waste Management														
		PROJECTED RESULTS BY END OF COMPACT		PROGRESS TO DATE		PROJECT ACHIEVEMENTS								
		Up to 138 health centers and 14 out-patient departments renovated; Strengthened and mainstreamed HIV/AIDS and TB services; Construction of a new central lab and blood facility; Strengthened health systems and improved medical waste management.		Design and construction is underway on health centers, outpatient departments, and laboratory, blood transfusion center, student and staff dormitories (Botsobelo Activity). The first tranche of OPD buildings is complete (37% disbursed). Construction at Botsobelo is 40% complete, and 60% of health center construction work contracts have been disbursed.		Construction of the Domiciliary Health Clinic is complete. A computer teaching lab was opened at the National Health Training College for nurse and lab tech education, where six senior tutors have been hired. Discussions underway on public-private partnership to support health facility maintenance, health care waste management, and information and communications connectivity.								

Private Sector Development Project	PROJECT COST		TOTAL CONTRACT COMMITMENTS		TOTAL PROJECT EXPENDITURES <sup>†</sup>									
	\$36,470,318		\$15,605,084		\$10,927,870									
<p>This project is designed to increase private sector economic activity in Lesotho by improving access to credit, reducing transaction costs, and increasing the participation of women in the formal economy.</p> <p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table><tr><td>ESTIMATED BENEFICIARIES</td><td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td></tr><tr><td>368,319</td><td>\$60,000,000</td></tr></table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	368,319	\$60,000,000	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME												
	368,319	\$60,000,000												
	Civil Legal Reform													
	National ID/Credit Bureau													
	Land Admin. Reform													
	Payment & Settlement Sys.													
Gender Equality in Econ. Rights														
		PROJECTED RESULTS BY END OF COMPACT		PROGRESS TO DATE		PROJECT ACHIEVEMENTS								
		Production and issuance of national ID cards; Credit bureau established; Automated payments system implemented; Regularization and registration of 55,000 land parcels; Increased commercial dispute resolution; Gender equality program implemented.		As of September 5, 2011 4,035 parcels had been registered under the pilot phase of the Land Regularization Activity. The procurement process for the land regularization consultant is ongoing. Bid evaluations held for the case management software and equipment contract.		The Land Administration Authority (LAA) was legally established through passage of the LAA Act in June 2010; the LAA should be fully operational by March 2012. National ID policy and legislation completed, and credit bureau bills submitted to Parliament in June 2011. Mandatory court annexed mediation of civil and commercial cases already underway through civil-legal reform project.								

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.